

Commission the dumping margins from the original investigation as the margins likely to prevail. (See the July 1, 1999 Substantive Response of Hercules at 6–7.) Although the Department found a substantially reduced 5.81 percent dumping margin for a Brazilian producer in its administrative review, Hercules contends that the reduced dumping margin coincided with greatly declined import volumes of the subject merchandise.<sup>11</sup> Id. Therefore, the rates which would most accurately reflect the antidumping margins that are likely to prevail were the order revoked are the ones from the original investigation.

The Department agrees with Hercules' suggestion pertaining to the margins that are likely to prevail if the order were revoked. Because the margins from the original investigation reflect the behavior of Brazilian producers/exporters without the discipline of an order in place, the Department will provide to the Commission the margins found in the original investigation. Absent argument and evidence to the contrary, the Department sees no reason to change its usual practice of selecting the rate from the original investigation. We will report to the Commission the company-specific and all-others rate contained in the Final Results of Review section of this notice.

#### Final Results of Review

As a result of this review, the Department finds that revocation of the antidumping order would likely lead to continuation or recurrence of dumping at the margins listed below:

Manufacturer/Exporter	Margin (percent)
Companhia Nitro Quimica Brasileira .....	61.25
All Others .....	61.25

This notice serves as the only reminder to parties subject to administrative protective order ("APO") of their responsibility concerning the disposition of proprietary information disclosed under APO in accordance with 19 CFR 351.305 of the Department's regulations. Timely notification of return/destruction of APO materials or conversion to judicial protective order is hereby requested. Failure to comply with the regulations and the terms of an APO is a sanctionable violation.

This five-year ("sunset") review and notice are in accordance with sections 751(c), 752, and 777(i)(1) of the Act.

Dated: October 21, 1999.

**Richard W. Moreland,**

*Acting Assistant Secretary for Import Administration.*

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## DEPARTMENT OF COMMERCE

### International Trade Administration

[A-570-802]

#### Final Results of Expedited Sunset Review: Industrial Nitrocellulose From People's Republic of China

**AGENCY:** Import Administration, International Trade Administration, Department of Commerce.

**ACTION:** Notice of Final Results of Expedited Sunset Review: Industrial Nitrocellulose from People's Republic of China.

**SUMMARY:** On June 1, 1999, the Department of Commerce ("the Department") initiated a sunset review of the antidumping order on industrial nitrocellulose from People's Republic of China (64 FR 29261) pursuant to section 751(c) of the Tariff Act of 1930, as amended (the "Act"). On the basis of a notice of intent to participate and adequate substantive response filed on behalf of a domestic interested party and inadequate response (in this case, no response) from respondent interested parties, the Department determined to conduct an expedited review. As a result of this review, the Department finds that revocation of the antidumping duty order would be likely to lead to continuation or recurrence of dumping at the levels indicated in the Final Results of Review section of this notice. **FOR FURTHER INFORMATION CONTACT:** Eun W. Cho or Melissa G. Skinner, Office of Policy for Import Administration, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue, NW., Washington, D.C. 20230; telephone: (202) 482-1698 or (202) 482-1560, respectively.

**EFFECTIVE DATE:** October 27, 1999.

#### Statute and Regulations

This review was conducted pursuant to sections 751(c) and 752(c) of the Act. The Department's procedures for the conduct of sunset reviews are set forth in Procedures for Conducting Five-Year ("Sunset") Reviews of Antidumping and Countervailing Duty Orders, 63 FR 13516 (March 20, 1998) ("Sunset Regulations") and 19 CFR Part 351 (1998) in general. Guidance on methodological or analytical issues

relevant to the Department's conduct of sunset reviews is set forth in the Department's Policy Bulletin 98:3—Policies Regarding the Conduct of Five-year ("Sunset") Reviews of Antidumping and Countervailing Duty Orders; Policy Bulletin, 63 FR 18871 (April 16, 1998) ("Sunset Policy Bulletin").

#### Scope

The product covered by this order is industrial nitrocellulose ("nitrocellulose") from the People's Republic of China ("China"). Industrial nitrocellulose is a dry, white, amorphous synthetic chemical with a nitrogen content between 10.8 and 12.2 percent, and is produced from the reaction of cellulose with nitric acid. Industrial nitrocellulose is used as a film-former in coatings, lacquers, furniture finishes, and printing inks. The scope of this order does not include explosive grade nitrocellulose, which has a nitrogen content greater than 12.2 percent. Industrial nitrocellulose is currently classifiable under Harmonized Tariff Schedule ("HTS") item number 3912.20.00. The HTS item number is provided for convenience and customs purposes only. The written description remains dispositive.

#### History of the Order

The antidumping duty order on nitrocellulose from China was published in the **Federal Register** on July 10, 1990 (55 FR 28267).<sup>1</sup> In that order, the Department indicated that the weighted-average dumping margins for all entries of the subject merchandise is 78.40 percent. Since that time, the Department has completed only one administrative review. In that review, covering July 1, 1995 through June 30, 1996, we found that China North Industries Guangzhou Corp. ("CNIGC") was the only exporter. In that review, the Department determined not to grant CNIGC a separate rate; instead, we established a rate of zero for all entries from the People's Republic of China ("PRC-wide rate") based on information submitted by CNIGC.<sup>2</sup> The order remains in effect for all manufacturers and exporters of the subject merchandise.

<sup>1</sup> See Antidumping Duty Order: Industrial Nitrocellulose from the People's Republic of China, 55 FR 28267 (July 10, 1990).

<sup>2</sup> See Industrial Nitrocellulose From the People's Republic of China: Final Results of Antidumping Duty Administrative Review, 62 FR 65667 (December 15, 1997). In the review, the Department found that the PRC-wide rate was zero for the period of review.

<sup>11</sup> See footnote 5 and 8, supra.

## Background

On June 1, 1999, the Department initiated a sunset review of the antidumping duty order on nitrocellulose from China (64 FR 29261), pursuant to section 751(c) of the Act. The Department received a Notice of Intent to Participate on behalf of Hercules Incorporated ("Hercules") on June 9, 1999, within the deadline specified in section 351.218(d)(1)(i) of the Sunset Regulations. Hercules asserts that it is not related to a foreign producer, foreign exporter, or domestic importer of the subject merchandise; nor is it an importer of the subject merchandise except on an occasional spot basis. (See Hercules' June 9, 1999 Intent to Participate at 2.)

We received a complete substantive response from Hercules on July 1, 1999, within the 30-day deadline specified in the Sunset Regulations under section 351.218(d)(3)(i). Hercules claims interested party status under section 771(9)(C) of the Act as a U.S. manufacturer, producer, and wholesaler of the subject merchandise. In its substantive response, Hercules indicates that it is the sole remaining U.S. domestic producer of nitrocellulose, was the petitioner in the original investigation, and has participated in all contested review proceedings. (See Hercules' July 1, 1999 Substantive Response at 1-2.)

We did not receive a substantive response from any respondent interested parties to this proceeding. Consequently, pursuant to section 351.218(e)(1)(ii)(C) of the Sunset Regulations, the Department determined to conduct an expedited, 120-day, review of this order.

In accordance with section 751(c)(5)(C)(v) of the Act, the Department may treat a review as extraordinarily complicated if it is a review of a transition order—an order which was in effect on January 1, 1995. See section 751(c)(6)(C) of the Act. The Department determined that the sunset review of the antidumping duty order on industrial nitrocellulose from China is extraordinarily complicated. Therefore, on October 12, 1999, the Department extended the time limit for completion of the preliminary results of this review until not later than December 28, 1999, in accordance with section 751(c)(5)(B) of the Act.<sup>3</sup>

## Determination

In accordance with section 751(c)(1) of the Act, the Department conducted this review to determine whether

revocation of the antidumping order would be likely to lead to continuation or recurrence of dumping. Section 752(c) of the Act provides that, in making this determination, the Department shall consider the weighted-average dumping margins determined in the investigation and subsequent reviews and the volume of imports of the subject merchandise for the period before and the period after the issuance of the antidumping order, and shall provide to the International Trade Commission ("the Commission") the magnitude of the margin of dumping likely to prevail if the order is revoked.

The Department's determinations concerning continuation or recurrence of dumping and the magnitude of the margins are discussed below. In addition, Hercules' comments with respect to continuation or recurrence of dumping and the magnitude of the margins are addressed within the respective sections below.

### Continuation or Recurrence of Dumping

Drawing on the guidance provided in the legislative history accompanying the Uruguay Round Agreements Act ("URAA"), specifically the Statement of Administrative Action ("the SAA"), H.R. Doc. No. 103-316, vol. 1 (1994), the House Report, H.R. Rep. No. 103-826, pt.1 (1994), and the Senate Report, S. Rep. No. 103-412 (1994), the Department issued its Sunset Policy Bulletin providing guidance on methodological and analytical issues, including the bases for likelihood determinations. In its *Sunset Policy Bulletin*, the Department indicated that determinations of likelihood will be made on an order-wide basis (see section II.A.2). In addition, the Department indicated that normally it will determine that revocation of an antidumping order is likely to lead to continuation or recurrence of dumping where (a) dumping continued at any level above *de minimis* after the issuance of the order, (b) imports of the subject merchandise ceased after the issuance of the order, or (c) dumping was eliminated after the issuance of the order and import volumes for the subject merchandise declined significantly (see section II.A.3).

In addition to considering the guidance on likelihood cited above, section 751(c)(4)(B) of the Act provides that the Department shall determine that revocation of an order is likely to lead to continuation or recurrence of dumping where a respondent interested party waives its participation in the sunset review. In the instant review, the Department did not receive a response

from any respondent interested party. Pursuant to section 351.218(d)(2)(iii) of the Sunset Regulations, this constitutes a waiver of participation.

In its substantive response, Hercules asserts that the likelihood of continuation or recurrence is high if were the order revoked. (See July 1, 1999 substantive response of the Hercules at 3-6). To buttress its contention, Hercules points out a drastic decline in import volumes of the subject merchandise immediately after the issuance of the order. According to Hercules, after the imposition of the antidumping order, imports of the subject merchandise all but disappeared.<sup>4</sup> *Id.* The virtual cessation of imports immediately after the issuance of the order, Hercules further argues, is highly probative of the likelihood of future dumping. *Id.*

Moreover, Hercules indicates that, for the past five years, imports of the subject merchandise have been at or near zero. *Id.* According to Hercules, the— small scale of imports of the subject merchandise in 1996 was just the Chinese producers/exporters' attempt to attain a reduced cash deposit rate in a pending administrative review.<sup>5</sup> *Id.* Hercules further notes that even after weighted-average dumping margin for the subject merchandise was reduced to zero (from 78.40 percent), Chinese producers/exporters could not sustain the exports of the subject merchandise. *Id.* As a result, Hercules concludes, dumping of the subject merchandise will continue if the order were revoked.

As indicated in section II.A.3 of the Sunset Policy Bulletin, the SAA at 890, and House Report at 63-64, the Department considers whether dumping continued at any level above *de minimis* after the issuance of the order. If companies continue dumping with the discipline of an order in place, the Department may reasonably infer that dumping would continue were the discipline removed. Since publication of the final results of the 1995-1996 administrative review, the cash deposit rate has remained zero.

However, consistent with section 752(c) of the Act, the Department also considered the import volumes of the

<sup>4</sup>In 1989 and 1990, imports of the subject merchandise were 508 and 237 metric tons, respectively; however, during the period 1991 through 1998, imports volumes were as follows: 1991-2; 1992-0; 1993-17; 1994-0; 1995-0; 1996-9; 1997-0; and 1998-27 metric tons. (See July 1, 1999 substantive response of Hercules, Attachment 2.)

<sup>5</sup>See footnote 4, *supra*. In the 1995-1996 review, the Department found a 0% weighted-average dumping margin for entries of nitrocellulose from China.

<sup>3</sup>See Extension of Time Limit for Final Results of Five-Year Reviews, 64 FR 55233 (October 12, 1999).

subject merchandise before and after the issuance of the order. The data supplied by Hercules and those of the United States Census Bureau IM146s and the United States International Trade Commission indicate that, since the imposition of the order, import volumes of the subject merchandise have declined substantially.<sup>6</sup> Moreover, for the period 1994–1998, although Census Bureau IM 146 data do not reflect any annual imports of the subject merchandise, the United States International Trade Commission Data show rather insignificant imports of the subject merchandise during the period.<sup>7</sup> Therefore, the Department determines that the import volumes of the subject merchandise decreased significantly after the issuance of the order.

Given that the import volumes of the subject merchandise decreased significantly after the issuance of the order and that respondent interested parties have waived their right to participate in this review, the Department agrees with Hercules' contention that dumping is likely to continue if the order is revoked.

**Magnitude of the Margin:**

In the Sunset Policy Bulletin, the Department stated that it will normally provide to the Commission the margin that was determined in the final determination in the original investigation. Further, for companies not specifically investigated or for companies that did not begin shipping until after the order was issued, the Department normally will provide a margin based on the "all others" rate from the investigation. (See section II.B.1 of the Sunset Policy Bulletin.) Exceptions to this policy include the use of a more recently calculated margin, where appropriate, and consideration of duty absorption determinations. (See sections II.B.2 and 3 of the Sunset Policy Bulletin.)

The Department, in its final determination of sales at less-than-fair-value, published a weighted-average dumping margin for CNIGC and all-others: 78.40 percent.<sup>8</sup> We note that, to date, the Department has not issued any duty absorption findings in this case.

In its substantive response, citing the SAA at 890 and the Sunset Policy

Bulletin at 18873, Hercules states that the Department normally will provide the Commission with the dumping margins from the investigation unless the import volumes increase while at the same time dumping margins decrease after the issuance of the order. (See the July 1, 1999 Substantive Response of the Hercules at 6–7.) Hercules points out that, in the instant case, however, the reduced weighted-average dumping margin for Chinese producers/exporters coincides with a greatly declined import volume of the subject merchandise. *Id.* In other words, Hercules states that Chinese producers/exporters are incapable of reducing weighted-average dumping margins while at the same time increasing exports of the subject merchandise to the United States. *Id.* Therefore, Hercules urges, the Department should abide by its practice, as set forth in the Sunset Policy Bulletin, and report to the Commission the margin set forth in the original investigation.

The Department agrees with Hercules' suggestion pertaining to the margin that is likely to prevail if the order were revoked. Because the margins from the original investigation reflect the behavior of Chinese producers and exporters without the discipline of an order in place, the Department will provide to the Commission the margin found in the original investigation. Absent argument and evidence to the contrary, the Department sees no reason to change its usual practice of selecting the rate from the original investigation. We will report to the Commission the PRC-wide rate contained in the Final Results of Review section of this notice.

**Final Results of Review**

As a result of this review, the Department finds that revocation of the antidumping order would likely lead to continuation or recurrence of dumping at the margins listed below:

Manufacturer/Exporter	Margin (percent)
PRC-wide .....	78.40

This notice serves as the only reminder to parties subject to administrative protective order ("APO") of their responsibility concerning the disposition of proprietary information disclosed under APO in accordance with 19 CFR 351.305 of the Department's regulations. Timely notification of return/destruction of APO materials or conversion to judicial protective order is hereby requested. Failure to comply with the regulations

and the terms of an APO is a sanctionable violation.

This five-year ("sunset") review and notice are in accordance with sections 751(c), 752, and 777(i)(1) of the Act.

Dated: October 21, 1999.

**Richard W. Moreland,**

*Acting Assistant Secretary for Import Administration.*

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**DEPARTMENT OF COMMERCE**

**International Trade Administration**

[A–427–009]

**Final Results of Expedited Sunset Review: Industrial Nitrocellulose From France**

**AGENCY:** Import Administration, International Trade Administration, Department of Commerce.

**ACTION:** Notice of Final Results of Expedited Sunset Review: Industrial Nitrocellulose from France.

**SUMMARY:** On June 1, 1999, the Department of Commerce ("the Department") initiated a sunset review of the antidumping duty order on industrial nitrocellulose from France (64 FR 29261) pursuant to section 751(c) of the Tariff Act of 1930, as amended (the "Act"). On the basis of a notice of intent to participate and adequate substantive response filed on behalf of a domestic interested party and inadequate response (in this case, no response) from respondent interested parties, the Department determined to conduct an expedited review. As a result of this review, the Department finds that revocation of the antidumping duty order would be likely to lead to continuation or recurrence of dumping at the levels indicated in the Final Results of Review section of this notice.

**FOR FURTHER INFORMATION CONTACT:**

Eun W. Cho or Melissa G. Skinner, Office of Policy for Import Administration, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue, NW, Washington, DC 20230; telephone: (202) 482–1698 or (202) 482–1560, respectively.

**EFFECTIVE DATE:** October 27, 1999.

**Statute and Regulations**

This review was conducted pursuant to sections 751(c) and 752(c) of the Act. The Department's procedures for the conduct of sunset reviews are set forth in Procedures for Conducting Five-Year ("Sunset") Reviews of Antidumping and

<sup>6</sup>See *id.* The numbers supplied by Hercules exactly correspond with those of the U.S. International Trade Commission Data.

<sup>7</sup>See *id.* During 1994–1998, the average import volume of the subject merchandise was 7.2 metric tons, which is a mere 1.93 percent of 1989 and 1990 pre-order import levels.

<sup>8</sup>See Final Determination of Sales at Less Than Fair Value: Industrial Nitrocellulose From the People's Republic of China, 55 FR 21051 (May 22, 1999).